



The Energy and Technology Committee

Public Hearing, March 10, 2016

Office of Consumer Counsel

Elin Swanson Katz, Consumer Counsel

Testimony of Elin Swanson Katz

**Raised Bill No. 394,
*An Act Concerning Virtual Net Metering and
Certain Zero or Low Emission Generation Projects***

The Office of Consumer Counsel (OCC) has carefully reviewed Raised Bill No. 394, *An Act Concerning Virtual Net Metering and Certain Zero or Low Emission Generation Projects*, and conditionally supports the bill. OCC's support is conditional because the increased cost of the virtual net metering program is not specified in the bill. OCC would support up to a 50% increase in the size of this program, or a \$5 million dollar increase, such that the program cap would be \$15 million dollars per year, in order to solve the issues that have arisen with municipalities interested in virtual net metering being "stranded in the queue."

The existing language of General Statutes §16-244u sets an annual cap of \$10 million dollars per year for virtual net metering credits, to be used in three sectors: municipal, state, and agricultural. No individual sector was permitted to receive more than forty percent or \$4 million of those credits. It is OCC's understanding that the municipal interest in virtual net metering vastly exceeded the \$4 million cap on that sector, and that some municipalities spent time and money to participate in virtual net metering, only to find that the cap had been reached. To resolve this problem, OCC would be open to supporting up to a 50% expansion to virtual net metering, which would allow municipal customers to enjoy up to \$9 million in credits out of a \$15 million cap (the original \$4 million plus an additional \$5 million).

Because virtual net metering is still a relatively new program with significant incentives paid for by ratepayers, a vast increase over the existing \$10 million cap (that is, an increase materially above the \$5 million increase referred to above) would not be warranted at this time, in OCC's view. OCC anticipates that solar incentive approaches, including virtual net metering, will be further discussed in the next Comprehensive Energy Strategy prepared by DEEP.